

VZCZCXYZ0000
RR RUEHWEB

DE RUEHUL #3511/01 3450729
ZNY CCCCC ZZH
R 110729Z DEC 07
FM AMEMBASSY SEOUL
TO RUEHC/SECSTATE WASHDC 7695
INFO RUEHBJ/AMEMBASSY BEIJING 3562
RUEHKO/AMEMBASSY TOKYO 3700
RUEHIN/AIT TAIPEI 2332
RHHMUNA/CDR USPACOM HONOLULU HI
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUACAAA/COMUSKOREA INTEL SEOUL KOR
RHMFISS/COMUSKOREA J5 SEOUL KOR
RHMFISS/COMUSKOREA SCJS SEOUL KOR
RHEHNSC/NSC WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC//OSD/ISA/EAP//

C O N F I D E N T I A L SEOUL 003511

SIPDIS

SIPDIS

E.O. 12958: DECL: 12/10/2014

TAGS: KN KS PGOV PREL PINR

SUBJECT: CHUNG DONG-YOUNG CAMPAIGN MANAGER: CHUNG AND
UNDP'S FUTURE BLEAK

Classified By: Amb. Alexander Vershbow. Reasons 1.4 (b,d).

¶1. (C) Summary: Over coffee on December 10, former lawmaker and current head of UNDP candidate Chung Dong-young's campaign, Chyung Dai-chul, told the Ambassador that he had no confidence that candidate Chung could mount a serious challenge to frontrunner Lee Myung-bak. If the liberals unified behind Chung Dong-young and Chung were able to engage Lee in open televised debate, Chung might have a slim chance. However, Chung had failed to unify the liberal candidates. Also, Lee Myung-bak has refused to engage in debate with Chung except in the carefully scripted debates run by the National Election Commission. If Chung lost badly on December 19, the GNP could win as many as 250 seats out of 299 in the April National Assembly elections and the liberal opposition could essentially disappear. Chyung explained that Chung Dong-young was a good candidate but had been unable to challenge Lee mostly due to the Korean public's unhappiness with President Roh Moo-hyun. Korean voters were sick of Roh not because of his policy stances but due to his frequent public speaking gaffes, the "amateurism" of Roh and his close staff, and Roh's disregard for political advice from his own political party. In the likely event of a Lee Myung-bak victory, it was possible that the KORUS FTA could be passed, if not in February, then in June, and the Zaytun deployment would likely be extended with the condition that the troops should be pulled out of Iraq by the end of 2008, according to Chyung Dai-chul. End Summary.

¶2. (C) Chyung Dai-chul told the Ambassador on December 10 that there was little chance United New Democratic Party (UNDP) candidate Chung Dong-young could win the presidency. Chyung Dai-chul, who served as head of Roh Moo-hyun's successful 2002 campaign team, said that for Chung's campaign to succeed, Chung needed to unify the liberal candidates and openly debate with candidate Lee on policy issues.

Merger Bus Has Left Station

¶3. (C) Arriving at the residence from a meeting with Democratic Party candidate Rhee In-je, Chyung said Rhee would join Chung Dong-young December 10 or 11 but Moon Kuk-hyun would likely not join. Rhee's support was a step in the right direction, but regardless of who joined Chung, it was likely too late to significantly influence the election. Moon Kuk-hyun currently was suggesting a December 17 or 18

merger, but Chyung likened this proposal to "flagging a bus after it has gone by," and dismissed Moon as a factor.

Debates Not A Factor

¶4. (C) Chyung explained that since Lee only would appear in carefully scripted debates run by the National Election committee, there would be no chance to score points through debate. Chyung recalled that in 2002, Roh debated then-GNP candidate Lee Hoi-chang up to 70 times and won support with his good performances.

April Disaster

¶5. (C) If Chung Dong-young could not turn around his campaign and come in a respectable second, the liberal opposition could disappear and the Grand National Party (GNP) could win up to 250 seats out of 299 in the April parliamentary elections. In that case, the real opposition could take the form of a faction within the GNP headed by Park Geun-hye, or by conservatives who might join GNP defector Lee Hoi-chang's new party, rather than by liberal or progressive political leaders. Chyung said he wanted to help avoid such a tragedy and he would work hard from December 20 to lead the UNDP to a respectable showing. The UNDP would need to secure at least 100 seats in the Assembly to remain a significant political force, Chyung noted. Then, Korean people would recognize the UNDP as a "healthy opposition party." Chung Dong-young, Sohn Hak-kyu and Lee Hae-chan, as failed presidential candidates, would not be the best candidates to spearhead the campaign for the April elections, so someone with good management skills who could keep the party together should take that role.

BBK

¶6. (C) Chyung explained that while he did not believe former BBK owner and alleged stock-manipulation mastermind Kim Kyung-joon was being truthful about Lee's role in the scandal, Lee Myung-bak's denial of involvement was also not credible. Lawyers for the UNDP recently met with Kim for over seven hours; if even one-third of Kim's accusations about his business relationship with Lee Myung-bak were accurate, then there were real problems with the prosecutors' investigation that had cleared Lee of all charges. Furthering his suspicion, Chyung said, the prosecutor's office has recently been issuing contradictory reports. Ahead of the December 5 announcement clearing Lee, the prosecutor's office reported to President Roh that Lee was not involved in stock manipulation, but that it was unclear whether Lee was the owner of any of the related land or companies. Chyung said that there should be a special counsel assigned to review the BBK case; the prosecutors involved should be impeached for not properly investigating the case.

¶7. (C) When asked why the Prosecutor's Office would have committed such an error in their investigation, Chyung explained that the Prosecutor's Office, in the last 20 years, had not developed to reflect the democratic society that Korea was today, but instead looked to hold on to its power. Therefore, with Lee Myung-bak the near-certain winner of the election, supporting Lee was in the Prosecutor's interest. Chyung said he had been arrested five times and despite his status as a leading politician, the prosecutor's office did not respect basic human rights during his arrest and investigation.

A Lee Myung-bak Presidency

¶8. (C) Chyung said a strange phenomenon has occurred among the Korean people: they have decided that a corrupt candidate is better than an incompetent candidate, preferring Lee

Myung-bak to anyone connected to Roh Moo-hyun. Everyone seemed aware that Lee Myung-bak falsely employed his children, changed his address multiple times to avoid taxes and was guilty of various other infractions, but they did not care. Roh Moo-hyun's administration had reduced the level of corruption in government, the current bribery scandal involving top Roh aides notwithstanding, but was seen largely as incompetent. If Lee were elected, corruption could increase. In fact, given Lee Myung-bak's legal problems, Lee might be unable to fulfill his entire term in office.

¶9. (C) Lee Myung-bak is likely to choose personnel in his administration in a manner similar to Roh Moo-hyun -- as he pleases, with little input from his party. Therefore, it is almost certain that Park Geun-hye will not be Prime Minister in a Lee administration, but Hyundai heir and formerly independent lawmaker Chung Mong-joon has a chance to fill that role now that he had decided to join the GNP and support Lee Myung-bak.

Lee Hoi-Chang

¶10. (C) Chyung said that Lee Hoi-chang would likely not win even in his hometown region of Chungcheong Province since the bandwagon effect would mean that many current Lee Hoi-chang supporters, knowing they would be fighting a losing battle, would ultimately vote for the frontrunner Lee Myung-bak.

¶11. (C) Chyung closed by saying that it was impossible to predict Korean politics since things changed so quickly. In the future, both Chung Dong-young and Sohn Hak-kyu could become president. But for now, there will be a political realignment in Korea starting with the election of GNP candidate Lee.

Comment

¶12. (C) The 2007 presidential election is unlike any in the democratic era (since 1987) in that the outcome has all but been determined before a single vote has been counted. Chyung, a respected politician hoping to gain back some influence, fought the good fight, but even he could not put a happy face on Chung Dong-young's impending loss. If, as Chyung predicted, Lee Myung-bak wins December 19 and the GNP goes on to win a big majority in the April elections, President Lee will be in a position to implement many of his campaign promises, even the most extravagant ones, with little opposition.

VERSHBOW